

ULI provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

# SB 375

## IMPACT ANALYSIS REPORT

JUNE 2010

## With SB375, ULI convened an Advisory Panel

### Co-Chairs

Dan Kingsley  
Managing Partner  
SKS Investments  
San Francisco

Michael Woo  
Dean, Environmental  
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## Panel Members

Joe Brown  
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Will Schroeer  
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Renata Simril  
SVP  
Forest City  
Development

DEVELOPER



## The Process

- Briefing book existing literature
- Panel met May 10-11, 2010
- Interviewed key informants
  - Homebuilders
  - Cities/redevelopment experts
  - Environmentalists
- Reached consensus
- Final report issued June 4, 2010

## SB 375 Debate – Impacts on Global Warming & Communities

Pro	Con
-Short-term GHG decrease small but long-term impact significant	-Small impact
-Addresses major contributor to behavior and corresponding consumption of natural resources	-Prescribes solution rather than using pricing mechanisms
-Creates regional incentives to link land use and transportation	-Punishes transit rich communities by incentivizing more development
-Has positive co-benefits of conserving open space and agriculture	-Increases barriers to greenfield development

## SB 375 Debate – Affordable Housing and Development

Pro	Con
- Will reduce overall fixed household costs with lower transportation costs (i.e. Americans: 20% of income, Europeans: 7% of income)	-Makes housing less affordable, longer entitlement process, more complex, more expensive construction, ultimately creating more economic barriers
- Meets housing needs as demographic shifts towards less family households with children	- Builds housing that people don't want
- Reduces CEQA barriers for infill development	-SB 375 -Doesn't go far enough -SB 375 -Goes too far

## SB 375 Debate – Infrastructure & Planning

Pro	Con
- Improves link between regional transportation planning and land use	- Weakens local land use control
- More equitable allocation of transportation funding	- Favors transit over prevailing transportation mode while generating local auto congestion
- Saves cities and counties in capital and municipal service costs	- Savings are overstated and expanding existing infrastructure is more difficult to finance

## SB 375 Debate – Implementation

Pro	Con
-Prop 84 & HUD Sustainable Communities Planning Funds	- Unfunded mandate
- Extends term of Housing Element	- Places pressure on Cities and Counties to conform to SCS
- Development forecasts must be “reasonable”	- Once numbers are allocated, there is very little flexibility
- Will increase fare revenue for transit agencies	- Transit funds are being taken away by the state
- Provides transportation funds to cities and counties that cooperate	- No guarantee that cities and counties will cooperate

# Panel Consensus

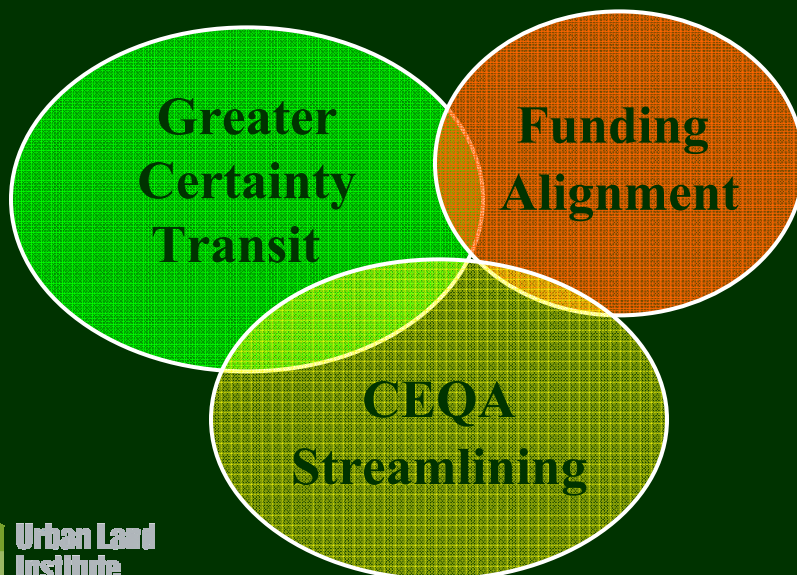
The cohesive regional  
approach of SB375

Creates

Economic benefits for:

- regions
- cities
- households

Value of SB 375 realized only with:



## Align policy and funding allocation



## Bottom line

- The Great Recession is no excuse for making bad investments in the way California communities grow
- SB375 creates value by shaping land use to enhance investment that responds to the market
- To fully capture the value of SB375, California needs to enhance transit funding certainty, align policies to direct funding, and fix CEQA
- ULI Next Steps: Discuss with media, meet with decision-makers, engage the SCS process on a regional scale